

INVESTMENT PROSPECTUS

The Goodbread House

Bed & Breakfast Inn

209 Osborne Street, St. Marys, GA 31558
Historic District | Cumberland Island Gateway | Est. c. 1870

Offered at \$1,100,000

Turnkey Hospitality Asset | Proven \$193 ADR | 400+ Guest Reviews
3-Year Projected Cap Rate: 10.5% – 15.0%

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Exclusively Listed By

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Executive Summary

The Goodbread House is a rare opportunity to acquire a turnkey, income-producing bed & breakfast in the heart of St. Marys, Georgia — America's second-oldest city and the sole mainland gateway to Cumberland Island National Seashore. Built circa 1870 and operating as a B&B for over 20 years, the property offers **7 bedrooms, 7 bathrooms, 3,798 square feet, 6 bookable guest suites with private ensuite baths, modernized infrastructure, and a brand with over 400 guest reviews and a 9.7/10 rating on Booking.com.**

Offered at \$1,100,000, the property delivers a normalized baseline NOI of \$66,000–\$71,000 (6.0–6.5% cap rate) based on three years of verified financial performance. With hands-on operational management and modest occupancy growth, the **projected NOI reaches \$115,850 in Year 1 (10.5% cap rate), \$132,540 in Year 2 (12.0%), and \$165,500 in Year 3 (15.0%).** An additional value-add opportunity — converting the existing garage to an owner's ADU — adds an estimated \$21,000+ in annual NOI.

Investment Highlights

- Proven ADR of \$193/night — stable for 3 consecutive years across all booking platforms.
- 400+ guest reviews across TripAdvisor, Booking.com, Google, Yelp, and Expedia with a 9.7/10 Booking.com rating. Brand equity that cannot be replicated.
- Modernized infrastructure: new roof, updated electrical, plumbing, and HVAC systems. Minimal near-term CAPEX required.
- Contributing structure to the St. Marys Historic District (NRHP #76000609). Significant barriers to entry for competing properties.
- Irreplaceable location: 1.5 blocks from the Cumberland Island ferry on the primary commercial corridor in downtown St. Marys.
- Pet-friendly operation with golf cart included — key differentiators in the boutique hospitality market.
- Turnkey: furnished, equipped, and operational. A buyer can begin generating revenue on day one.
- Two major market tailwinds: NPS proposed ferry capacity increase (300 to 700 visitors/day) and the Esplanade at St. Marys resort community (1,300 homes, 18-hole championship golf course, opening 2026).

The Asset

Property Overview

Asset Type	Historic Hospitality / Boutique Bed & Breakfast
Address	209 Osborne Street, St. Marys, GA 31558
Year Built	Circa 1870
Square Footage	3,798
Configuration	7 Bedrooms / 7 Bathrooms (6 bookable suites + owner quarters)
Suites	6 themed suites with private ensuite baths (famous couples theme)
Historic Status	Contributing structure, St. Marys Historic District (NRHP #76000609)
Infrastructure	New roof, modernized electrical, plumbing, and HVAC
Included	Fully furnished, equipped, golf cart, turnkey operation
Zoning	Historic District — ADU permitted under Downtown Form-Based Code
Offered At	\$1,100,000 (\$290/sq ft)

Location & Access

The Goodbread House is located on Osborne Street, the primary corridor through St. Marys' walkable downtown historic district. The property sits 1.5 blocks from the St. Marys River waterfront and the Cumberland Island National Seashore ferry terminal — the only public access point to one of America's most pristine barrier islands. Surrounding amenities include restaurants, boutiques, galleries, and waterfront parks. The area is golf cart-friendly, enhancing the guest experience.

St. Marys is located just north of the Florida border, approximately 40 minutes from Jacksonville International Airport, with direct access via I-95, US-17, and GA-40. Kings Bay Naval Submarine Base, one of the largest military installations in the region, is located 10 minutes away.

The Brand

Unlike a typical real estate acquisition, the Goodbread House comes with 20+ years of established brand equity. This is a business with a name, a reputation, and a loyal guest base that generates revenue from day one.

- \$193 Average Daily Rate — consistent for 3 consecutive years. The market has validated this rate.
- 400+ reviews across all major platforms. Guests consistently cite the curated breakfast experience, themed suites, complimentary wine social hours, and concierge-style hospitality.
- 9.7/10 location rating on Booking.com for couples travel.

- Established presence on Booking.com, Expedia, Travelocity, Airbnb, and direct web — with 21–23% of bookings generated through the property’s own website.
- The Goodbread House name is synonymous with St. Marys hospitality. This brand premium is an asset that would take a new property years to build.

Normalized Financial Performance

The following analysis is based on three years of Profit & Loss Statements prepared from the owner's books (without audit, subject to buyer verification). All figures have been normalized using standard investor adjustments: the current owner's mortgage has been removed (buyer will have their own financing), one-time capital expenditures have been excluded (A/C unit replacements in 2024 and 2025, major improvement costs in 2023), and non-operating expenses (donations) have been removed. 2025 represents 10 months through October 31.

Normalized Operating Summary

	2023 (Full Year)	2024 (Full Year)	2025 (10 Months)
Gross Income	\$257,616	\$222,126	\$156,706
Normalized Operating Expenses	\$191,570	\$150,807	\$103,339
Normalized NOI	\$66,046	\$71,319	\$53,367
Annualized NOI (2025)	—	—	\$64,040
Normalized Expense Ratio	74%	68%	66%
Normalized Net Margin	25.6%	32.1%	34.1%
Cap Rate at \$1,100,000	6.0%	6.5%	5.8%

Key observations: The Average Daily Rate has held steady at \$193 for three consecutive years — the rate is market-validated and not in decline. Revenue reductions are operator-specific as the current owner transitions out of active operations. Critically, the **normalized net margin has improved from 25.6% to 34.1%** over the same period, demonstrating that the cost structure is responsive and controllable.

Normalized Expense Detail

The following reflects actual operating expenses after standard add-backs (mortgage, one-time CAPEX, and donations removed):

Operating Expense	2023	2024	2025 (10 mo.)
Platform & Booking Fees	\$14,453	\$20,215	\$15,738
Insurance (Liability + Flood)	\$5,206	\$6,156	\$6,018
Recurring Maintenance / Pest / Landscaping	\$31,915	\$19,721	\$11,318
Utilities (Power / Gas / Water / Internet)	\$14,533	\$16,715	\$14,662
Housekeeping / Innkeeping	\$14,157	\$30,968	\$27,540
Food & Beverage	\$34,888	\$19,372	\$13,032
Guest Services & Supplies	\$34,259	\$8,434	\$4,997
Marketing	\$10,699	\$4,438	\$0
Property Tax (City/County)	\$4,214	\$4,381	\$3,148

Sales Tax (City/State)	\$20,791	\$20,109	\$14,145
Other (Safety, Health Dept)	\$827	\$0	\$0
Total Normalized Operating Expenses	\$191,570	\$150,807	\$103,339

The largest controllable expense categories for a new owner-operator are Housekeeping/Innkeeping, Food & Beverage, and Guest Services & Supplies. These three categories alone totaled \$83,304 in 2023 and \$58,774 in 2024 — representing the primary opportunity for cost reduction under hands-on management.

3-Year Business Plan & Projected Returns

The Goodbread House offers two primary levers for value creation: expense reduction through hands-on ownership and occupancy growth through active marketing. The following projections are based on the property’s verified historical performance and B&B industry benchmarks.

Lever 1: Expense Reduction

The largest controllable expense categories are housekeeping/innkeeping (\$14K–\$31K), food & beverage (\$13K–\$35K), and household supplies (\$4K–\$25K). An owner-operator who handles day-to-day innkeeping personally, manages food purchasing and vendor relationships directly, and maintains the property hands-on can reduce the overall expense ratio from 68–74% (after add-backs) to the B&B industry benchmark of 50–55%.

Lever 2: Occupancy Growth

Current occupancy has declined to 37–43% as the owner has reduced active operations. The B&B industry target is 60–70%. With the \$193 ADR already proven, 400+ positive reviews providing organic marketing, and investment in digital marketing, OTA optimization, and direct booking growth, occupancy of 55–65% is a realistic 2–3 year target.

Projected Returns

Scenario	Occ.	ADR	Gross Rev.	Exp. %	NOI	Cap Rate
2023 Actual (norm.)	~47%	\$193	\$257,616	74%	\$66,046	6.0%
2024 Actual (norm.)	~43%	\$193	\$222,126	68%	\$71,319	6.5%
Yr 1: Hands-On Ownership	47%	\$193	\$257,000	55%	\$115,850	10.5%
Yr 2: Rebuild Occupancy	55%	\$195	\$282,000	53%	\$132,540	12.0%
Yr 3: Full Optimization	63%	\$200	\$331,000	50%	\$165,500	15.0%

* Expense percentages shown after standard add-backs.

Year 1 requires no revenue growth — simply returning to 2023-level revenue (\$257K, already achieved by this property) and bringing expenses to the industry benchmark of 55% through hands-on management yields a **\$115,850 NOI and a 10.5% cap rate.**

By Year 3 at 63% occupancy (still below the 70% industry target) with a \$200 ADR and 50% expense ratio, the NOI reaches \$165,500 — a **15.0% cap rate.** At that income level, the property justifies a valuation of \$1.65M at a 10% cap rate, representing **\$550,000+ in created equity** from the \$1.1M acquisition price.

Value-Add Opportunity: Garage ADU Conversion

The existing on-site garage is an ideal candidate for conversion to an owner's suite / accessory dwelling unit. This addresses the primary operational question for any B&B buyer: where does the owner-operator live?

Metric	Estimate
Conversion Cost	\$95,000 – \$150,000
Additional Gross Revenue (7th suite at \$193 ADR, 47% occ.)	+\$47,000/year
Additional NOI (55% expenses)	+\$21,000/year
Cash-on-Cash Return on ADU Investment	10.9% – 14.0%
Payback Period	7 – 10 years
Permitting	ADU is a permitted building type under St. Marys Downtown Form-Based Code

By converting the garage and opening the 7th bedroom as a bookable suite, total property NOI at Year 3 would reach approximately \$186,500 — a 17.0% cap rate on the combined \$1.1M acquisition + \$150K ADU investment. This positions the asset for a potential exit valuation north of \$1.8M.

Market Tailwinds

Cumberland Island Ferry Expansion

The National Park Service has proposed increasing Cumberland Island ferry capacity from 300 to 700 visitors per day — more than doubling daily foot traffic through downtown St. Marys. As the sole mainland gateway to Cumberland Island, St. Marys captures virtually all visitor spending related to the island's tourism economy. This expansion represents a direct revenue tailwind for the Goodbread House.

Esplanade at St. Marys

Taylor Morrison, one of the nation's largest homebuilders, is building Esplanade at St. Marys — a 1,250-acre, 1,300-home resort lifestyle community featuring an 18-hole championship golf course designed by Christopher Wilczynski (ASGCA) and managed by Troon, a resort-style pool, full-service spa and wellness center, culinary center, tennis/pickleball courts, and a full-time lifestyle management team. Homes range from the \$400s to \$1M+ with sales opening in 2026.

This development is specifically targeting the Greater Jacksonville market and will bring a significant influx of affluent residents, their visiting friends and family, and sustained economic activity to St. Marys. For the Goodbread House, this translates to increased tourism demand, greater dining and entertainment traffic in downtown, and a growing population of potential guests within minutes of the property.

Kings Bay Naval Submarine Base

Kings Bay is home to the U.S. Navy's Atlantic Fleet of Trident nuclear submarines and is one of the largest military installations on the East Coast. The base drives consistent relocation, temporary duty, and family visitation traffic to St. Marys — providing a stable, non-seasonal demand floor for local hospitality.

Comparable Sales — Historic St. Marys (Pre-1950)

The following Georgia MLS data includes all pre-1950 residential properties in St. Marys, representing the true peer group for the Goodbread House:

Address	BR /BA	List Price	Sold Price	Sq Ft	\$/Sq Ft	Acres	Status
209 Osborne (Subject)	7/7	\$1,100,000	—	3,798	\$290	—	Active
314 Osborne St	4/4.5	\$1,499,000	—	4,652	\$322	0.56	Active (20 DOM)
207 W Weed St	5/3	\$899,900	—	3,344	\$269	0.50	Active (383 DOM)
1719 Mush Bluff Rd	1/1	\$799,000	\$575,000	816	\$704	1.14	Sold
207 Ready St	4/3	\$749,900	\$690,000	2,756	\$250	0.26	Sold (373 DOM)
305 Ready St	4/4	\$689,000	\$600,000	3,492	\$172	0.25	Sold (111 DOM)
104 E Weed St	3/2.5	\$639,000	\$634,000	2,108	\$301	0.22	Sold (303 DOM)
309 Mahan St	3/2	\$629,900	—	2,535	\$248	0.31	Active (92 DOM)
305 E Conyers St	3/3	\$569,900	\$450,000	1,667	\$270	0.53	Sold (144 DOM)
507 Norris St	4/3	\$500,000	\$485,000	2,894	\$168	0.41	Sold (192 DOM)

Comp Analysis

- Historic homes in St. Marys trade between \$168 and \$301 per square foot (sold basis), with well-maintained properties clustering at \$250–\$301.
- At \$290/sq ft, the Goodbread House is positioned in the upper range — justified by modernized infrastructure, historic district location on the primary commercial corridor, and the operating business.
- The nearest size comparable (207 W Weed, 3,344 sq ft) is listed at \$269/sq ft with 383 DOM and no income stream. The Goodbread House commands a justified premium.
- The Jackson Clark House at 314 Osborne is listed at \$1.499M (\$322/sq ft) with no established hospitality brand or income history. At \$1.1M with a turnkey B&B, the Goodbread House represents the superior value proposition.
- No comparable property includes an operating business. The B&B brand, 400+ reviews, and proven income stream represent additional value above the real estate basis.

Risk Factors & Considerations

- Financials are prepared from the owner's books without audit. Buyer should independently verify all income and expense figures during due diligence.
- Revenue has declined as the current owner has reduced active operations. Projections assume a new owner will actively operate and market the business.
- Occupancy projections (55–63%) require active marketing investment and operational attention. These are not passive returns.
- The property is a contributing structure in the NRHP Historic District. Any exterior modifications or new construction (including the ADU) require Historic Preservation Commission review.
- Flood risk: Buyer should verify flood zone status and insurance requirements. Current annual flood insurance is approximately \$1,200.
- Bathrooms could benefit from cosmetic updating. This represents an additional capital outlay but also a guest experience improvement opportunity.

Acquisition Summary

Offering Price	\$1,100,000
Price per Square Foot	\$290
Asset Type	Turnkey Bed & Breakfast / Historic Residential
Includes	All furnishings, fixtures, equipment, golf cart, and operating business
Baseline Normalized NOI	\$66,000 – \$71,000 (6.0–6.5% cap)
Year 1 Projected NOI	\$115,850 (10.5% cap)
Year 3 Projected NOI	\$165,500 (15.0% cap)
Value-Add (ADU)	+\$21,000 NOI annually (est. \$95K–\$150K investment)
Broker Co-Op	Yes
Due Diligence	Financial verification, property inspection, historic district review

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and buyer's advisors should conduct independent analysis before making any investment decision.